

DD/A Registry

78-1418/8

DD/A Registry

File Personnel-17-5

1 June 1978

STATINTL MEMORANDUM FOR: [REDACTED]
Assistant Legislative Counsel

STATINTL FROM : [REDACTED]
Chief, Personnel Management/DO

SUBJECT : Retirement System

REFERENCE : a. Memorandum to the DCI from DDA,
dated 19 April 1978, same subject.

b. Your memorandum, dated 22 May
1978, "Special Retirement and
Training Legislation."

1. From the point of view of the Operations Directorate, both the DDA paper approved by the DCI and the OLC proposed legislation represent praiseworthy attempts to come to grips with a difficult problem and either or both of the approaches would be beneficial to our personnel.

2. We note, however, that the two papers take different approaches, and these must be reconciled before we can provide meaningful answers to all of the questions raised in Reference B. Specifically:

a. The DDA recommends and the DCI has approved to provide financial support for "training of Agency personnel . . . after their employment with the Agency has ceased." The DDA paper does not restrict such support to only those employees not immediately entitled to an annuity. Presumably all who desire training would get the financial support for training as an additional payment at time of separation or retirement or would be reimbursed for tuition or training fees. In the latter, it would probably

DD/A Registry
78-1418

-- 2 --

have to be documented by a Form 1099 for tax purposes. In all cases, such personnel would have terminated their employment with the Agency. They would have no need to have further access to Agency installations. (This answers your paragraph 2-c.)

b. The OLC proposed legislation provides for training support while in employee status with preservation of all employee benefits, but restricts it to employees not entitled to immediate retirement benefits. Presumably, such employees would be allowed to pursue their training during official working hours. To the extent that they would use academic institutions, Executive Order 12036 would require their prior removal from cover or a finding by the DDCI that their retention of cover and concealing their CIA employment from the academic institution is operationally required. Tax attribution would be in the form of the usual W-2 for all employees. As employees in good standing, they would have continuing access to Agency installations.

3. Obviously, if the OLC proposal is followed and the training benefits are to be extended only to those who do not qualify for immediate retirement benefits, both the number of participants and the cost of the program would be significantly lower. It does, however, raise further questions whether the employees taking advantage of such training program would continue to receive normal employee benefits, and whether they would count against the personnel ceilings of the various components.

4. In specific answer to your question under 2-d, it would seem to us that any and all who have served under cover for a substantial part of their service with CIA should be eligible for Agency-sponsored training, as these are precisely the personnel who, because of security considerations, cannot present an accurate picture of their job experiences and capabilities.

-- 3 --

5. In answer to your question under 2-f, we believe that the limitation of the program to those "who would not qualify for immediate retirement" could be discriminatory against those who have qualified for retirement annuity. For example, a person one year short of qualifying could, under the OLC proposal, obtain two years' training while continuing in employee status. This would significantly increase his "high three" and carry him one year beyond retirement qualification. In contrast, a person in the same grade who just qualified for retirement would end up with less money and no training. As a minimum, we feel the program should be available to those who are being dismissed or retired involuntarily, provided that such action was not taken because of illegal or unethical acts by the employee.



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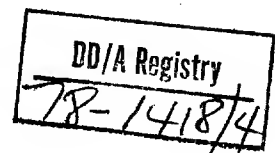
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SSA/DDA
Director of Personnel
ADDO

OLC RECORD L 177

Approved For Release 2001/07/12 : CIA-RDP81-00142R000500110003-5

OLC 78-1444/5

22 May 1978



MEMORANDUM FOR: See Distribution

STATINTL FROM

: [REDACTED]
Assistant Legislative Counsel

SUBJECT : Special Retirement and Training Legislation

REFERENCE : Memorandum to the DCI from DDA, Dated 19 April 1978,
Same Subject

1. As noted in the reference memorandum (copy attached), the Director has approved our studying the matter of seeking special legislation that would authorize the DCI to provide training for Agency personnel whose association with the CIA is to be terminated. OLC has drafted language that could be proposed in the Congress to achieve this purpose (attached with reference memorandum).

2. In order to prepare this proposal for action at the appropriate time and in the proper form, it is necessary that we make sure the language is legally sufficient and that we have the requisite material to support and explain it. With this in mind, it is requested that your office review the proposed training language and provide your comments thereon. Just a few of the issues that come to mind which such review and comment should include are the following:


- a. What would be the cost of such a program?
- b. Is there some idea of the number of persons who might be eligible for such training?
- c. Would there be any security problems, both in terms of the status of employees receiving such training (e.g. would they be considered "employees" for purposes of cover, security agreements, etc.) and in terms of access to Agency facilities and information during the period employees would be receiving the training?
- d. Is it feasible to attempt to distinguish, among employees to be terminated who would be eligible for such training, those who, because of the "un-marketability" of their skills, would receive the training?

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- e. Or, as the converse of the preceding question; as a practical matter, would all employees, except those terminated for reasons that reflect unfavorably on their performance, who are terminated receive the training?
- f. Is it reasonable to provide that only employees who would not qualify for immediate retirement benefits be eligible for the training (note: the similar provision regarding training for air traffic controller, 5 U.S.C. section 338, is not limited to controllers not eligible for immediate retirement)?
- g. Would any of those employees terminated in the recent DDO reduction have been eligible for such training, had the authority been available?
- h. Could such proposal be given some form of retro-active applicability, and if so, should it be so provided?

3. This proposal is included in the Agency's position paper on Title IV (CIA) of S. 2525, the intelligence charter legislation, but OLC also is studying the possibility of sending the proposal forward in another form. Thank you.

STATINTL


Assistant Legislative Counsel

Attachment

Distribution:

- 1 - OP, w/att
- 1 - OF, w/att
- 1 - OGC, w/att
- 1 - SSA/DDA, w/att
- ✓ 1 - OLC Subject
- 1 - OLC Chrono

OLC:RLB:sm: (19 May 78)

DD Form 1
FileDD/A Registry
78-1418/3

28 APR 1978

78 4622/2

MEMORANDUM FOR: Director of Central Intelligence

FROM: John F. Blake
Deputy Director for Administration


SUBJECT: CIARDS

REFERENCE: Your memo, same subject, dtd 21 April 1978
(ER78-4622/1)

[Handwritten signature]
1 MAY 1978

1. Action Requested. None. This is for your information.
2. Background. By memorandum dated 21 April 1978 (attached) you asked three questions pertaining to CIARDS retirement.
3. Staff Position.

a. Shown below are figures on the number of current CIARDS participants in each career service. While some of these participants may be removed from the CIARDS prior to retirement, others will be added as they complete their qualifying service requirements. We are confident, therefore, that these figures represent as accurate a forecast as possible of future retirements under CIARDS. The figures are presented on the basis of career service membership rather than by directorates because we believe presentation this way permits finer appreciation of eventual CIARDS retirements by directorates. There are, for example, Administration careerists assigned to the Directorate of Operations, but they are there only for designated tours and will not count as DDO retirements when they occur. We believe it more accurate, therefore, to relate such participants to the 'M' or (DA) career service rather than to the Directorate of Operations; to include them in the DO figure would result in an inaccurate picture of CIARDS retirements in both these directorates.

<u>Career Service</u>	<u>Directorate Affiliation</u>	<u>Number of CIARDS Participants</u>
D	DO	
E	DCI	
I	NFAC	
M	DA	
R	DS&T	

STATINTL

b. Following is a comparison of the retirement benefits for a CIARDS participant who retires from the Agency after 20 years service, at 50 years of age, and with five years of overseas service with his corresponding number who retires at the earliest opportunity in the State Department or in the military.

	<u>CIARDS</u>	<u>Foreign Service State Department</u>	<u>Military</u>
Age	50	50	Any age
Service	20	20	20
Salary	GS-13/1 \$26,022 p/a \$ 2,168.50 p/a	FSR-4/1 \$26,022 p/a \$ 2,168.50 p/a	Major \$21,862.80 p/a \$ 1,821.90 p/a
Annuity	\$10,409 p/a \$ 867 p/m	\$10,409 p/a \$ 867 p/m	\$10,931.40 p/a \$ 910.95 p/m
Other Benefits*	Retirement Relocation	Retirement Relocation	Retirement Relocation; PX; Commissary; Medical

* The retirement relocation benefit includes travel of the retiree and family, movement of household effects and storage (for up to 3 months) of such effects.

c. Because the minimum age (50) and service (20 years) requirements for voluntary retirement are identical under both CIARDS and the Foreign Service Retirement System at the Department of State, the benefits for retirees under these systems would be equal, assuming that in addition to identical age and length of service both individuals also had identical "high-3" average salaries.

Att


JOHN F. BYRNE

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Executive Registry
78-4622/1

DD/A Registry
78-1418/2

21 APR 1978

MEMORANDUM FOR: Deputy Director for Administration
FROM: Director of Central Intelligence
SUBJECT: CIARDS

I really appreciated your enlightening memo on CIARDS -- I ask for some additional information:

- a. How many people (very roughly) in each of our Directorates are likely to use CIARDS when they retire?
- b. How would the retirement benefits for an employee who left the Agency after 20 years, 50 years of age, and five years of overseas service compare with his corresponding number who retired at the earliest opportunity in the military or the State Department?
- c. How would a CIARDS retiree who retired at the minimum age and service for a State Department employee compare his benefits with the State Department employee?



STANFORD TURNER

STATINTL

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SUSPENSE _____ Date _____

Remarks:

STATINTL

Executive Secretary

21 Apr 57

Date

DD/A Registry
File Pers 17-5

DD/A Registry
78-1418/1

Executive Registry
78-5126/1

19 APR 1978

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: John F. Blake
Deputy Director for Administration

SUBJECT: Retirement System

REFERENCE: Your memorandum to the DDA, same subject,
dated 4 April 1978

1. Action Requested: That you approve the recommendation contained in paragraph 4.

2. Background: Your referent memorandum (attached) indicated that Israeli military officers, upon retirement, are given up to one year of full pay except that on obtaining employment the active duty pay is discontinued, although their retirement pay continues. You stated that we have more difficulty in getting employment quickly than do others, that with some exceptions in the military we have less transferability of talents (at least for the DDO) and thus need more opportunity to prepare for and try different jobs. You wondered if we could use the recent DDO experience as a basis for going to Congress for special legislation to permit us to do something similar.

I referred your question to the Director of Personnel asking him to study this situation in coordination with OGC and OLC. I have incorporated their views, with which I concur, in this paper.

The idea of providing up to a full year's salary to a retired Federal employee, in lieu of annuity for the first year of retirement, involves a legal obstacle of a high order. In order to ensure equitable treatment for our employees we would have to try to obtain coverage for those under the Civil Service Retirement System (CSRS) as well as those under CIARDS. In the case of CSRS, this would require discussions with officials of the Civil Service Commission to enlist their effort in making a proposal through the OMB to the Civil Service committees of the House and Senate. In the case of CIARDS we ourselves would deal directly with the OMB and our committees in the Congress.

OLC, OGC and D/Pers believe that any proposal for expansion of retirement or paid benefits for Federal employees must be considered in the context of the following current factors. The Administration intends to impose a cap on the Federal white collar pay raise this year; Congress is considering restrictions on eligibility for retirement benefits in the military; the need for 51 separate Federal retirement systems is being reviewed; the possibility of linking Federal retirement to the Social Security System is being studied; pointed questions have been asked by the staff and members of the Subcommittee on Legislation of the House Permanent Select Committee on Intelligence regarding CIARDS. All of these signs portend a mood that would not be receptive to a proposal to liberalize benefits for CIA personnel no matter how valid we believe our arguments to be. Although it was not a part of the rationale for the passage of our present CIARDS law, the Congress might well regard the flat two per cent per year formula for creditable service under CIARDS as being partly in compensation for any putative difficulty CIARDS retirees might encounter in seeking other employment. In sum, all these factors indicate that any proposal to liberalize benefits for CIA personnel could be expected to encounter some general opposition, regardless of the merits of such proposal.

The Office of Legislative Counsel, however, has received some preliminary and informal indications from our oversight committees, in the context of the recent DDO reductions, that the committees would be sympathetic to some form of legislative relief for former Agency personnel who, because of the circumstances of their Agency employment, are at a disadvantage in seeking new employment. A proposal for such relief has been submitted by the Director of Personnel and has been incorporated in the Agency's detailed position paper on the charter legislation, as a recommended additional provision in the CIA title. Attached for your information is language which OLC has drafted and which we are considering as such a proposal; OLC also is studying other methods of obtaining enactment of such a proposal.

Any discussion of or proposal concerning retirement or paid benefits for Agency employees should be considered also in the context of the annuity received by CIARDS and Civil Service retirees. Under Federal tax law, the annuity received by retirees (CIARDS and Civil Service) is tax-free for as long as the annuity received constitutes recovery of the contributions they paid into the Retirement Fund during the years of their employment. This usually takes about 14 to 16 months and roughly covers the period in which a retiree would be seeking re-employment. Thus, during the period when searching for other employment, a retiree enjoys a significant tax "break." Persons whose employment is terminated before they are eligible for immediate annuity may receive separation allowance.

3. Staff Position: In view of the above considerations, we believe the preferable alternative is to continue to pursue enactment of legislation that would allow for the provision of special additional training for Agency employees after their employment with the Agency has ceased. Such a "training benefit," coupled with existing annuity benefits, would seem to address the concern expressed in your suggestion that we study the applicability of the

Israeli retirement provision to Agency employees. Moreover, this approach, again in our view, would receive a more sympathetic congressional audience than would a proposal which could be construed as granting extensive and liberalized retirement and pay benefits to intelligence employees; the "training benefit" also would be more specifically tailored to CIA needs and circumstances and therefore would be easier to justify in terms of not having to apply it to other categories of Federal employees." The costs of training would be less than the provision of a full year's salary for all retirees and would accomplish much the same objective as prompted your idea. The training would zero in precisely on those retirees (and resignees) who will indeed make an effort to find other employment. Not all retirees go to work elsewhere after they leave the Agency. It seems, therefore, that the authority for training more neatly dovetails with the actual area of need.

4. Recommendation: That we pursue the matter of obtaining legislation for the training of Agency personnel rather than pursue special legislation to provide up to one year of full pay in lieu of annuity for the first year of retirement.

/s/ John F. Blake

John F. Blake

Att

/s/ Stansfield Turner
APPROVED: _____
Director of Central Intelligence

24 APR 1978

Date

DISAPPROVED: _____
Director of Central Intelligence

Date

Distribution:

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Originator: _____

Director of Personnel

ILLEGIB

STATINTL DD/Pers/ [REDACTED] jk (4-17-78)

LEGISLATION TO PROVIDE TRAINING FOR
CERTAIN PERSONNEL SEPARATED FROM THE
CENTRAL INTELLIGENCE AGENCY BY THE
DIRECTOR OF CENTRAL INTELLIGENCE

Certain employees of the Central Intelligence Agency, because of the unique mission and requirements of the Agency, are at a serious disadvantage in seeking private employment once their careers with the Agency have ended. In many cases, these employees possess job skills which are not readily marketable outside the Agency. Other employees are in a difficult position because security considerations prohibit their presenting an accurate picture of their job experiences and capabilities. The legislation proposed below would make these employees of the Central Intelligence Agency eligible, under certain conditions, for up to the full-time equivalent of two years of training in order to make them competitive with job seekers outside the Agency. Among the conditions for eligibility are that the person's employment is terminated by the Agency for reasons, such as a reduction in force, which do not reflect unfavorably on performance and that the employee not be immediately eligible for retirement.

The Central Intelligence Agency, like the Civil Service and the military, has the authority to make separation payments to some employees. The purpose of those payments is to help the former employee relocate following termination, generally involuntary, of his career in Government or the military and to ease the transition into a new job. The purpose of the training permitted by the language proposed below is different -- to assist employees in developing a skill which will enable them to make the transition to other employment.

The proposed language is as follows:

"(a) An employee with five years of service with the Central Intelligence Agency whose employment is to be terminated, other than for cause on charges of misconduct, delinquency or inefficiency, may receive not more than the full-time equivalent of two years of training if

(1) the Director of Central Intelligence determines that the employee is at a disadvantage in finding new employment because the nature, circumstance or security requirements of the employee's service are clearly distinguishable from normal Government employment; and

(2) the employee does not qualify for immediate retirement benefits.

(b) During the period of training under this section, the employee shall be --

(1) retained at his last assigned grade and rate of pay;

(2) entitled to each increase in rate of pay provided by law or regulation; and

(3) excluded from staffing limitations otherwise applicable.

(c) The Director of Central Intelligence shall prescribe such regulations as necessary to carry out this section."

5 U.S.C. section 3381 provides a precedent for this type of payment in the case of air traffic controllers. Like the Central Intelligence Agency employees who would be covered by this proposed legislation, air traffic controllers have a job skill which is not readily marketable outside the Federal Aviation Administration. They are thus provided with training once they can no longer perform the duties of an air traffic controller.

DD/A Registry
78-1418

Executive Registry
78-5126

4 APR 1978

MEMORANDUM FOR: Deputy Director for Administration
FROM: Director of Central Intelligence
SUBJECT: Retirement System

STATINTL

1. [REDACTED] I happened to hear something about the military retirement system in Israel that I think would be of interest to us. An Israeli officer, upon retirement, is given up to one year of full pay except that whenever he obtains employment his military pay is discontinued. In short, he can work but not for pay, but once he settles on a job and decides to accept the pay, he must forego his active duty pay and accept only the retirement pay.

2. It seems to me this has great merit for our people, even more so than for any military group. We have more difficulty in getting employment quickly than do others. With some exceptions in the military, we have less transferability of talents (from the DDO at least) and therefore need more opportunity to prepare and try different jobs.

3. I wonder if we could use the recent DDO experience as a basis for going to the Congress for special legislation to permit us to do something like this.

[REDACTED]
STANSFIELD TURNER

STATINTL

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DD/A Registry
78-14622

21 APR 1978

MEMORANDUM FOR: Deputy Director for Administration
FROM: Director of Central Intelligence
SUBJECT: CIARDS

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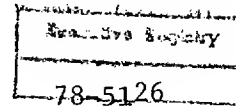
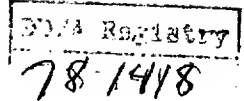
b. How would the retirement benefits for an employee who left the Agency after 20 years, 50 years of age, and five years of overseas service compare with his corresponding number who retired at the earliest opportunity in the military or the State Department?

c. How would a CIARDS retiree who retired at the minimum age and service for a State Department employee compare his benefits with the State Department employee?

[REDACTED]

STANFIELD TURNER

STATINTL



4 APR 1978

MEMORANDUM FOR: Deputy Director for Administration
FROM: Director of Central Intelligence
SUBJECT: Retirement System

STATINTL

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[REDACTED]
STANSFIELD TURNER

STATINTL

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78-1418

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6 APR 1978

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<p>Fred,</p> <p>I suggest you OLC, & OGC all collaborate in drafting a reply. Need I tell you what it should say?</p>			
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DD/A Registry
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STATINTL

DDA:JFBBlake:kmg (6 Apr 78)

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1 - DDA Subj w/cy of Att

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1 - JFB Chrono

Att: Memo dtd 4 Apr 78 to DDA fr DCI, subj: Retirement System (DDA 78-1418)

"Fred, I suggest you, OLC, & OGC all collaborate in drafting a reply. Need I tell you what it should say? /s/Jack Blake"